

INSURE TENNESSEE

Governor Haslam believes the Affordable Care Act was the wrong approach to addressing the healthcare challenges facing our country, and expanding the traditional Medicaid program in Tennessee without introducing more personal responsibility or doing anything to control the cost of health care would be the wrong approach for our state.

The Insure Tennessee plan is a two year pilot program that introduces market principles to Medicaid, provides coverage to more than 200,000 low-income Tennesseans at no additional cost to taxpayers, and leverages a payment reform initiative that is working to control healthcare costs and improve the quality of care.

Fiscally Sound & Sustainable

The program is financed entirely by Tennessee's hospitals and will not create any new taxes for Tennesseans or add any state cost to the budget. In fact, Tennessee taxpayers are currently paying taxes through the Affordable Care Act that are helping to cover this population in other states. This program will bring those dollars to Tennessee by leveraging enhanced federal funding, and it will automatically terminate in the event that either federal funding or support from the hospitals is modified in any way.

Expands Tennessee's Payment Reform Efforts

Governor Haslam's Delivery System Reform Initiative lays the foundation for reform by addressing the underlying quality and outcome deficiencies that contribute to growing healthcare costs and unaffordable insurance coverage. This initiative creates financial incentives for providers to deliver high quality care in an efficient and appropriate manner so as to reduce costs and improve health outcomes. Insure Tennessee builds on this initiative by creating new participant incentives that align with existing provider incentives. Ultimately, bringing the healthcare consumer into the equation is critical to controlling cost growth.

Provides New Private Market Choices for Tennessee Workers

Insure Tennessee introduces a health insurance voucher program to help workers participate in their employer's health insurance plan. The voucher, valued at slightly less than the average TennCare per-enrollee cost, can be used to pay for premiums and other out-of-pocket expenses associated with participation in an individual's employer sponsored private market plan. As an alternative, eligible individuals may choose to receive coverage through a newly designed program that will introduce Healthy Incentives for Tennesseans (HIT) accounts – modeled after Health Reimbursement Accounts (HRAs) – which can be used to pay for a portion of required member cost-sharing.

Promotes Personal Responsibility & Patient Engagement

The voucher program provides a fixed contribution that can be applied to the costs of a worker's private market plan. All costs incurred in excess of the amount of the voucher are the responsibility of the worker. This structure empowers individuals to make a choice about which plan is better for their needs and to manage their healthcare expenses to avoid additional costs.

Newly eligible individuals who choose to participate in the HIT program and whose incomes are above 100 percent of the Federal Poverty Level will be required to pay premiums and copays for services. All enrollees, including those with incomes below poverty, will have modest pharmacy copays. Members "earn" contributions into their HIT accounts by performing healthy behaviors. The account can then be used to cover copayment expenses.

Prepares Workers for Commercial Health Coverage

The design of Insure Tennessee is based on private market principles that provide incentives for participants to engage in their health care by actively managing their costs. Both programs within Insure Tennessee offer a commercial health insurance experience, which will help Tennessee workers better prepare for independence from public assistance.